



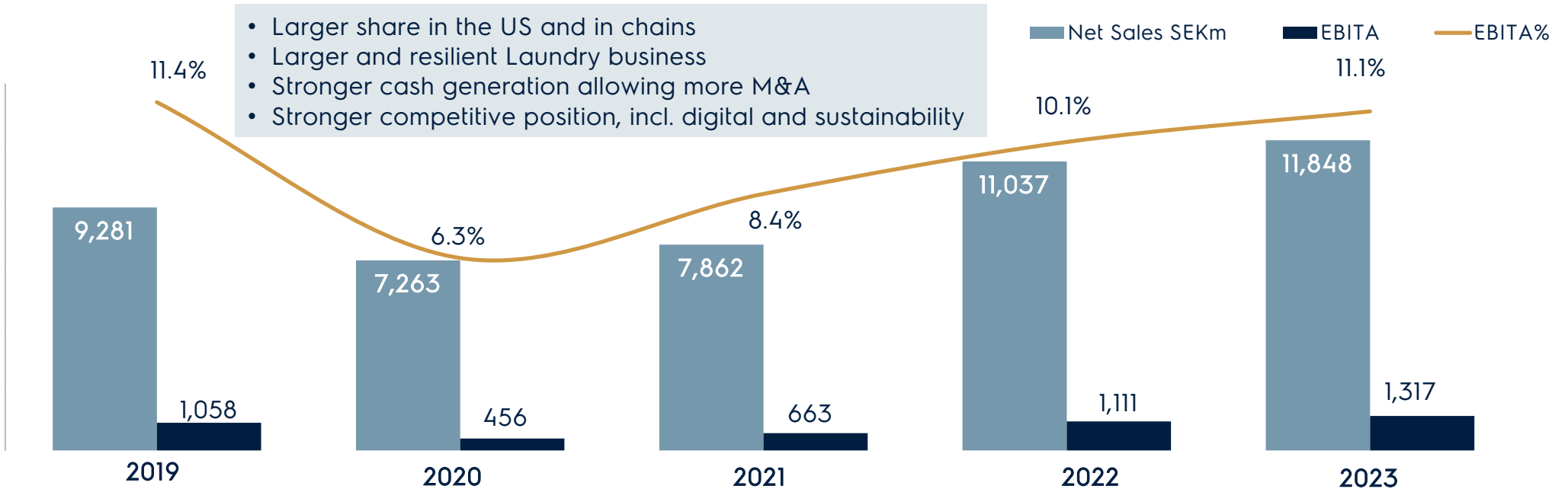
# J.P. Morgan Pan-European Conference

Alberto Zanata, President & CEO

Jacob Broberg, Chief Communication and Investor Relations Officer



# 2023 - another step towards our targets - strengthened foundation



- Larger share in the US and in chains
- Larger and resilient Laundry business
- Stronger cash generation allowing more M&A
- Stronger competitive position, incl. digital and sustainability

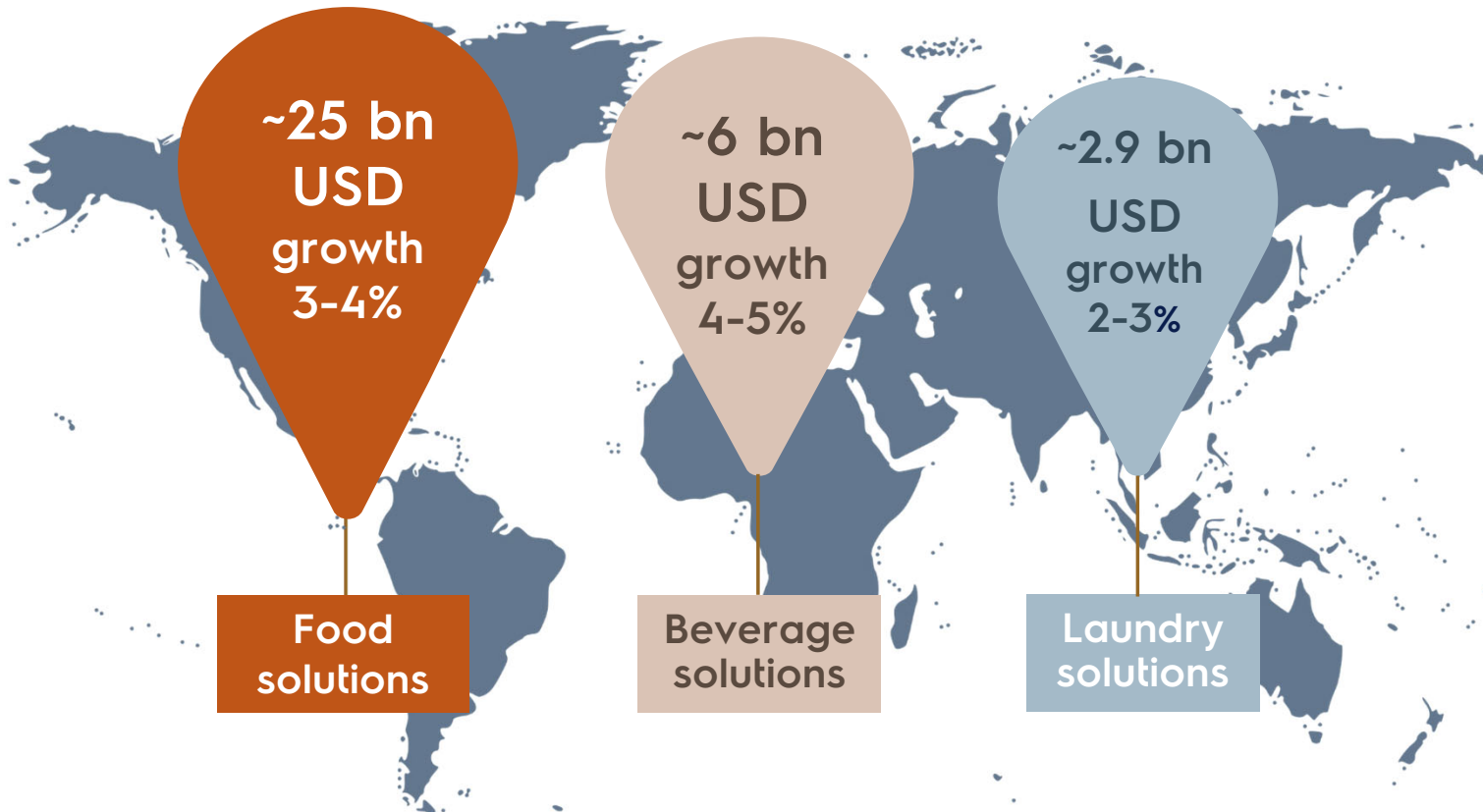
Net sales by geography



Net sales by segment



# Our markets are structurally showing growth



Source: Company estimates for 2023

## Underlying trends

- Digitalization
- Increased demand for take-away and delivery
- Climate change and use of resources
- Labor availability
- Societal changes



# Back to normal

- Strong recovery after the pandemic, which created a larger industry crisis than 2008-09
- Recovery spearheaded by US and quick-service restaurants, but later recovery in Asia
- In 2023, our industry was back to pre-pandemic sales levels, but not in Food & Beverage in Europe and APAC
- Geopolitics, component shortages, inflation and high interest rates had a negative impacted on the performance in 2022 and 2023 but eased towards the end of 2023
- Underlying factors influencing market growth are robust

# Strategic priorities are confirmed

## 1 GROW through innovation

Industry innovation - Sustainability - Energy efficiency - Connected and digital platform.

1

## 2 EXPAND in high margin products, segments, and geographies

Grow sales organically in laundry, restaurant chains - Potential M&A.

2

## 3 BOOST Customer Care & Service as a solution offer

Global service network - Increase sales of spare parts, service, consumables.

3

## 4 INVEST in Digitalization to unlock additional customer value

4

# Improved sustainability performance

## Target to be climate neutral in operations in 2030



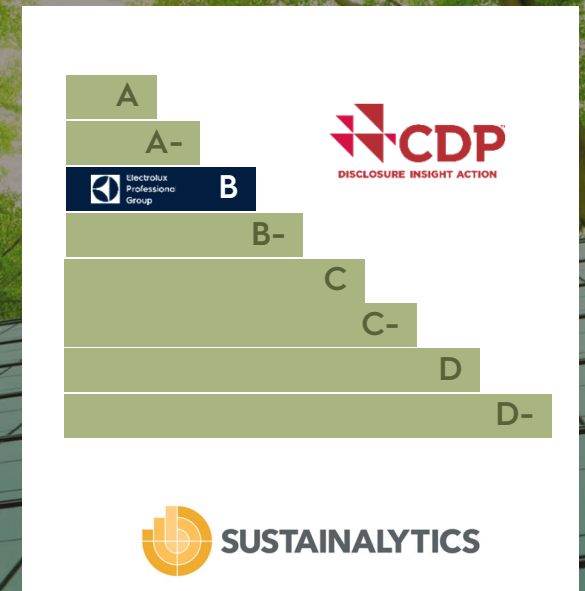
- Scope 1 and 2 – emissions from own operations.
  - \* Compared 2015 baseline\*\* Compared 2019 baseline
- Scope 3 – indirect use phase emissions of sold products. Compared 2019 baseline
  - \*\*\* Will be disclosed in 2024

# Ranked as Industry leader in sustainability



- Sustainalytics ESG risk rating "low risk" rated
- CDP questionnaire for climate change B rated

Company	CDP climate change	ESG risk rating
Electrolux Professional AB	B	10.8 low risk
Company 2	D	27.8 medium risk
Company 3	D	30.4 high risk
Company 4	n/a	n/a
Company 5	n/a	29.9 medium risk
Company 6	B-	23.3 medium risk
Company 7	F	n/a



# Strengthened innovative, sustainable solutions

## GourmeXpress high speed oven

- Compact, creating simple workflow
- Increases productivity
- Ergonomic
- 3 different heating methods



- Higher than target margin
- Commercial restaurant Chains

## TANGO XP complete line of high-performing fully automatic coffee machines

- Single and double group models.
- Dedicated to coffee professionals who place premium coffee extraction at the top of their expectations



- Higher than target Margin
- Chains and Institutions

1



# Strengthened innovative, sustainable solutions

## Veetsan Hood Type Dishwasher

- A competitive solution
- Designed for ease of use
- Performing
- Reliable for piece of mind operations



- Specifically designed to serve China restaurant market

## HeroDry free-standing blower

- A unique 'circular economy' initiative
- Meets the EU Single-Use Plastics Directive
- Drives down the global reliance on certain single-use plastics

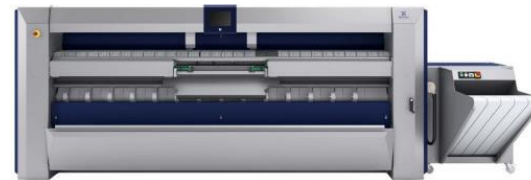


- Higher than target Margin
- Commercial Restaurant Chains

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# Strengthened innovative, sustainable solutions

## Vibe flat work ironer



- Feeding, folding, and stacking
- Most compact machine in the market
- One operator can do the work of four
- Continuous monitoring to guarantee 100% Hygiene

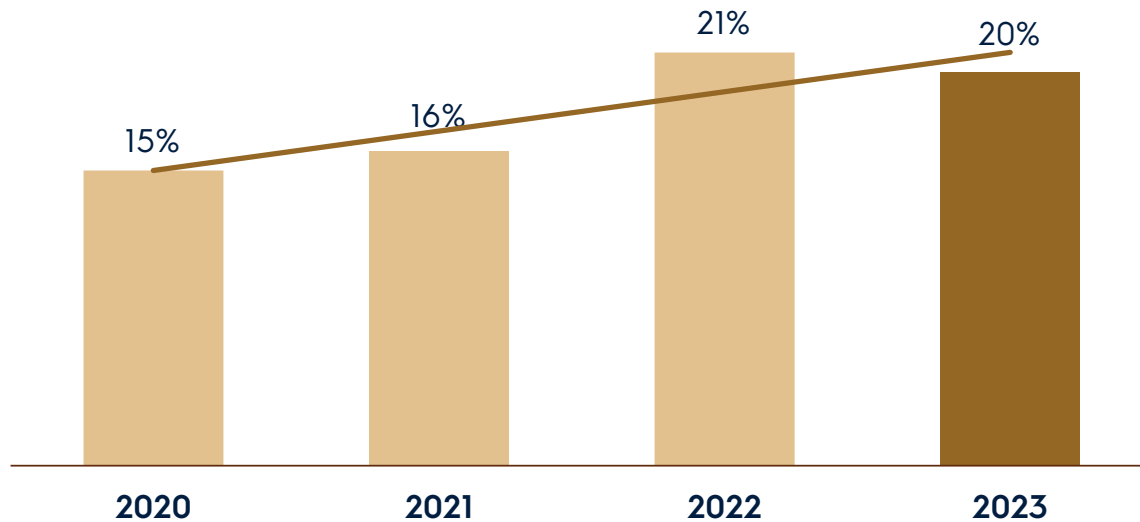


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- Higher than target Margin
- Hotels and care institutions

# Stable share of sales to chains

Chains sales in % of Food & Beverage sales

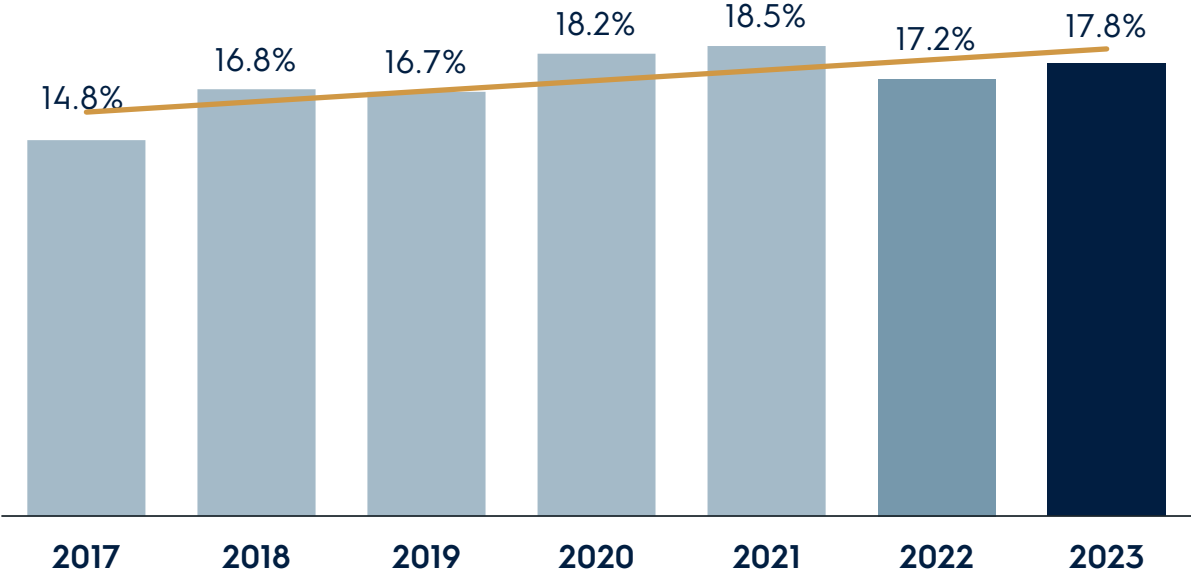


- US is home to most large global food service chains
- Growth in restaurant chains with acquisition of Unified brands
- No growth in 2023 due to weak Chain market development in the US, however product test on a good level

# Customer Care growth contributes to profitability



Customer care in % of total sales



- Customer care grew 6% in 2023 - more than product sales
- Accessories and consumables grew most
- Decline in 2022 due to inclusion of Unified Brands

3

# Digital is starting to shape our industry

Significant investments in digitalization focusing on Connected solutions and roll-out of the digital customer platform



## Connected appliances

Connected appliance of future installed base

**50%**

- One user interface across food, laundry and beverage segments
- Valuable data storage & analyze features

## Digital customer platform

Partner/distributor interaction\*

**50%**

2023: 58%

Distribution on-line orders\*

**65%**

2023: 80%

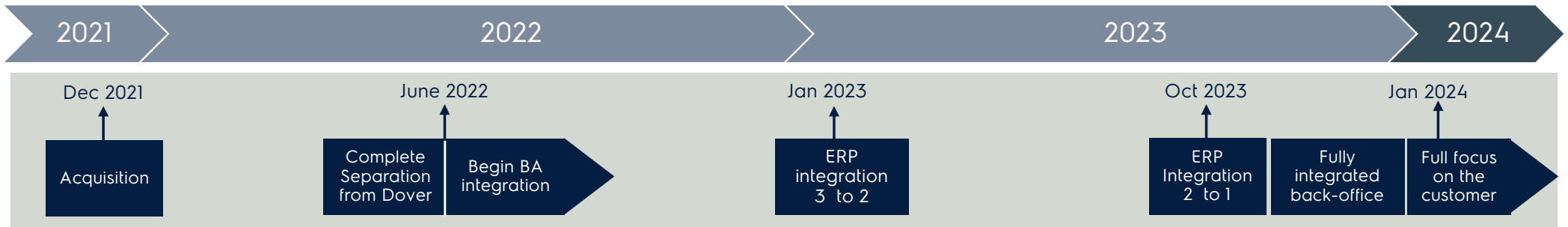
**1,930** partners

**32** countries onboarded

\* To onboarded partners and distributors

# Unified Brands - the Journey since acquisition

## Integration fully completed



### • Integration activities

- Leadership Team established July 2022
- Chain Sales Team merged July 2022
- Institutional Sales Leadership merged March 2023; Full team merged January 2024
- Customer Care integration and new leadership December 2023
- Finance Team integration January 2024 - fully completes the integration

### • Two ERP Integrations

- January 2023
- October 2023

**Business integration completed – Full focus on the customer and growth**

# Unified Brands synergies are being realized

- US Food & Beverage business was accretive to the Group margin in 2023
- Synergies announced in November 2022 are being realized

Revenue synergies

SEK 20-40m EBITA

Gradual synergies expected in 2024 and 2025

Cost synergies

SEK 25-50m EBITA

SEK 30m in 2023, in full during 2024

= SEK 45-90m EBITA

# Food & Beverage in the US heading in to 2024

## Actions in place to drive recovery after a weak 2023









- Strengthened Institutional sales leadership team and alignment
- Improved Rep engagement (training, growth incentive etc)
- New show rooms for training
- Strong pipe-line of restaurant chain opportunities
- Ambition to take market shares led by the Chain pipeline conversion and Institutional channel recovery



# Acquisition of TOSEI strengthens the Group's geographical presence



-  • A leading player in professional Laundry and vacuum packing business in Japan with 340 employees including one factory
-  • Globally, Japan 2nd largest market in Laundry, and 3rd largest in Food & Beverage
-  • Strengthens the Group's presence in Japan (previously less than 2% of Group sales)
-  • EBITA in line with Electrolux Professional 2023 EBITA-margin. After synergies, the EBITA-margin is expected to be well in line with the Group's EBITA-target of 15%
-  • Strong in innovation (combo washer-dryer and futon dry, vacuum with heating), and product reliability
-  • Advanced and proven IoT solution, key to succeed in the coin-op market

# Professional Laundry Market Japan is the second largest globally

Total Market

USD400m

- 6 companies represent 85% of the professional Laundry market
- TOSEI is a leading player in the professional Laundry market
- Electrolux Professional has been a smaller player



TOSEI Star Product  
Combo Washer &  
Dryer

Source: Japan Laundry Association and company estimates

# Opportunities to expand Food Vacuum sales



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Group

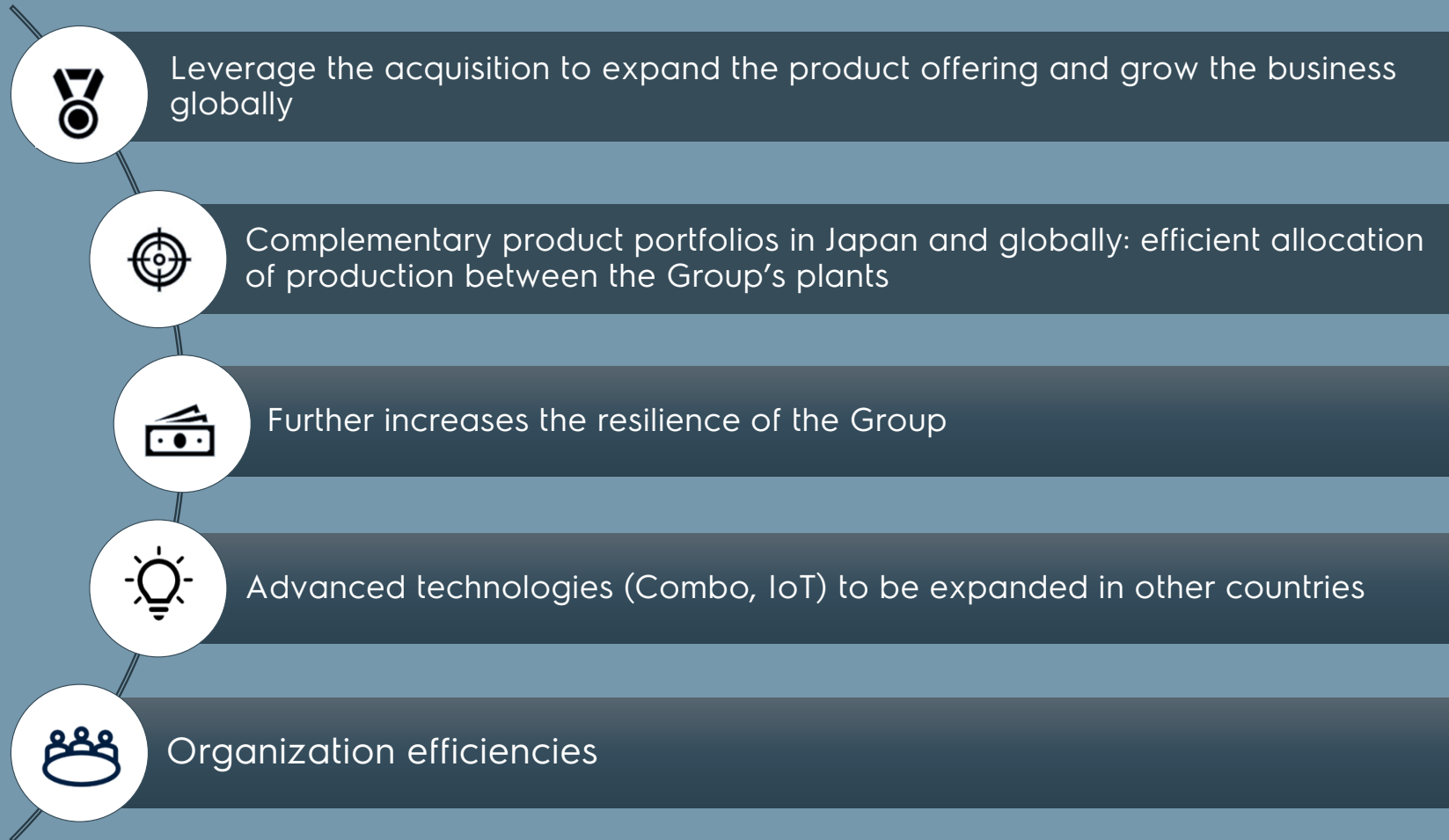
- In the project business we typically sell one vacuum sealer for every oven, this means potential additional volume
- Possibility to expand sales of the TOSPACK range in APAC region
- Identify suitable models for sale outside of Asia



# Electrolux Professional and TOSEI will create value



**TOSEI**



# M&A continue to be on the agenda



Two acquisitions  
since 2020 adding  
~20% turnover



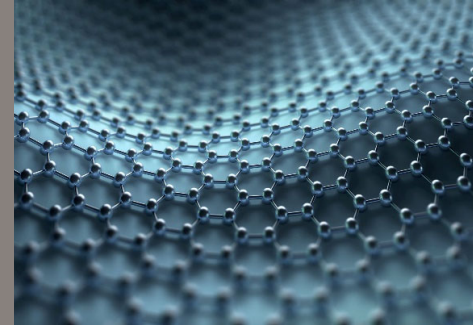
Activities to find  
new acquisitions is  
continuing



Focus on chains,  
especially in  
North America  
and New markets



High margin  
businesses



Technologies

# We are progressing towards our financial targets



## Net sales growth target

**4%**

**2023: 2.6%**  
(2022: 16.9%)

## Profitability target

**15%**

**2023: 11.1%**  
(2022: 10.1%)

## Assets efficiency target

Operating working capital as per cent  
of net sales

**15%**

**2023: 18.1%**  
(2022: 16.7%)

## Capital structure target

Net debt/EBITDA ratio below

**2.5x**

**2023: 0.9x**  
(2022: 1.5x)

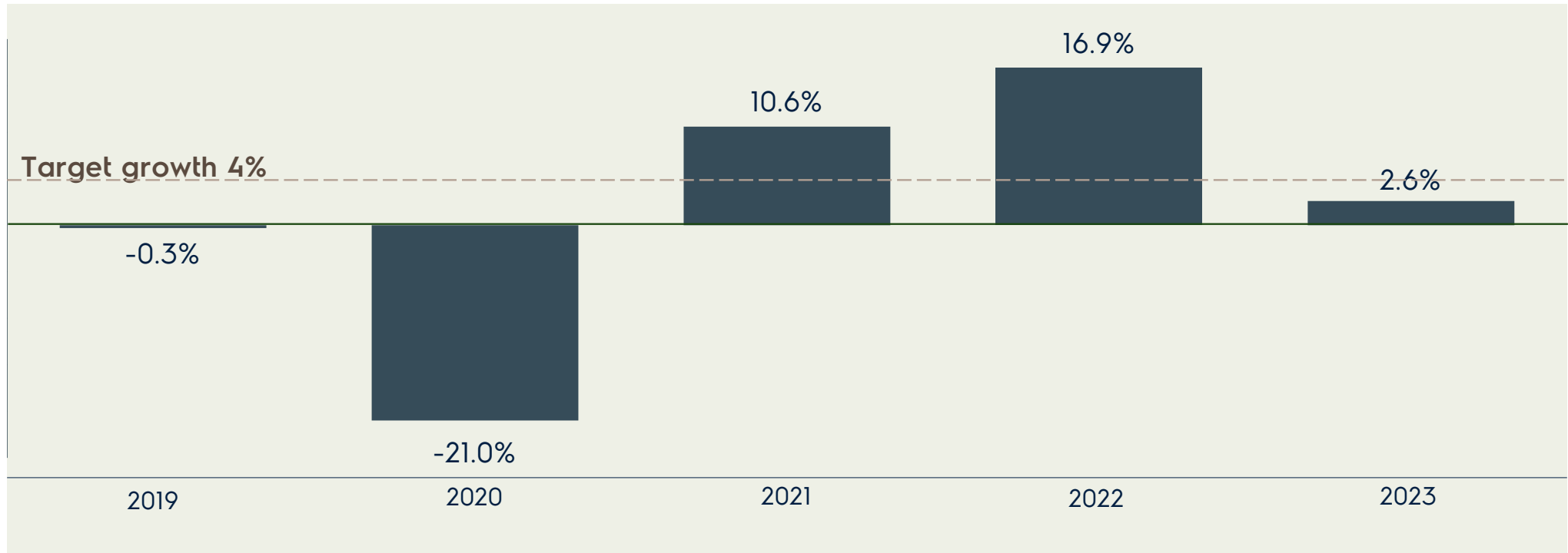
## Dividend

**30%**

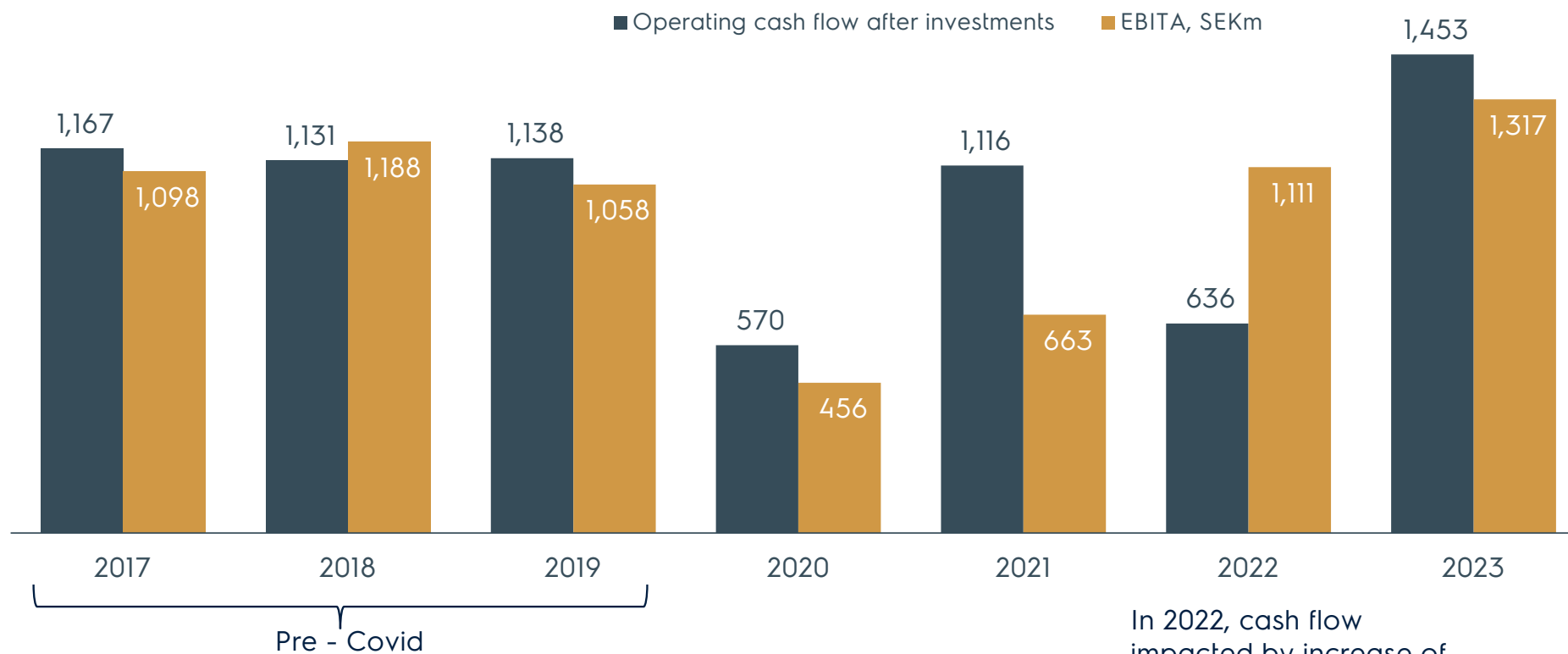
of income

**Proposed 2023: 30%**

# Strong organic sales development after the pandemic – target to grow 4%



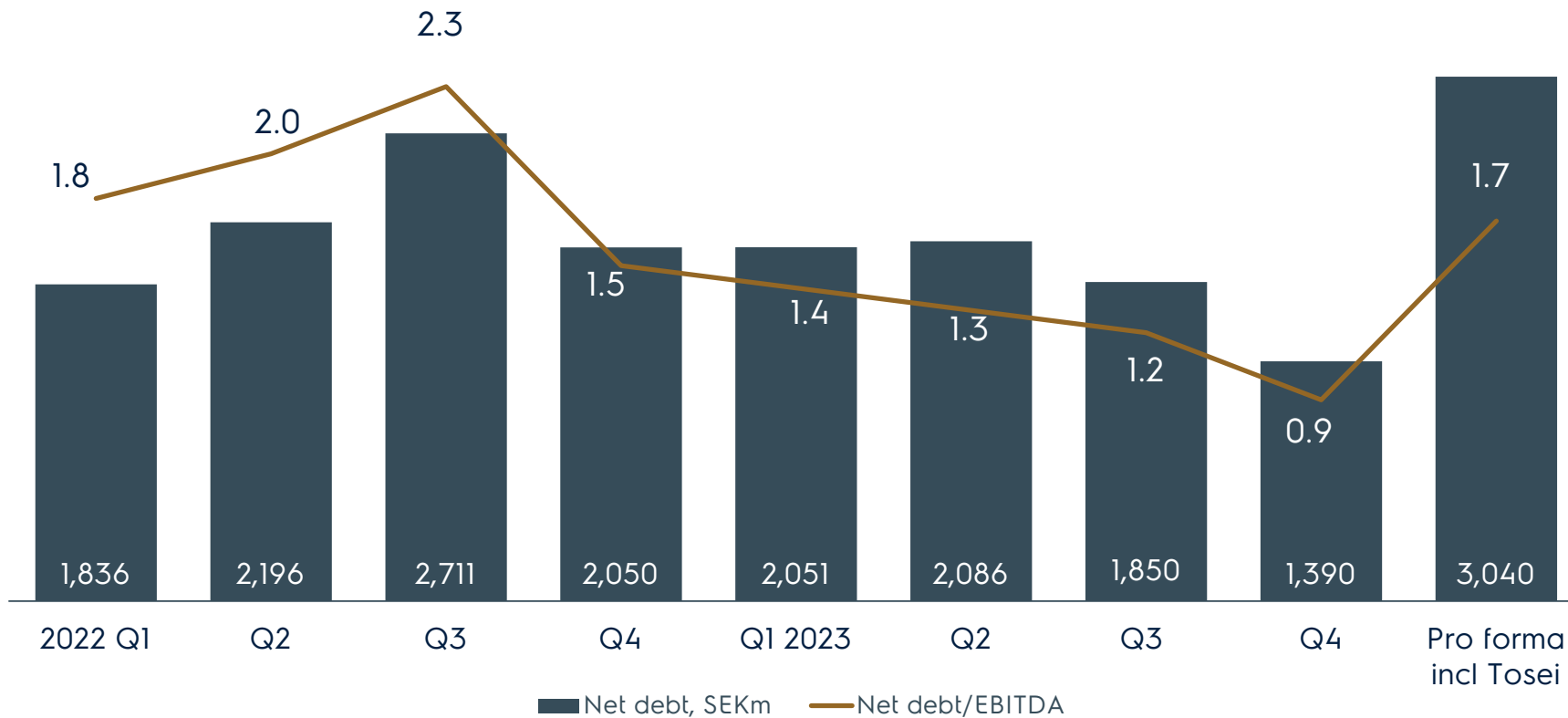
# Proven good cash flow over the years



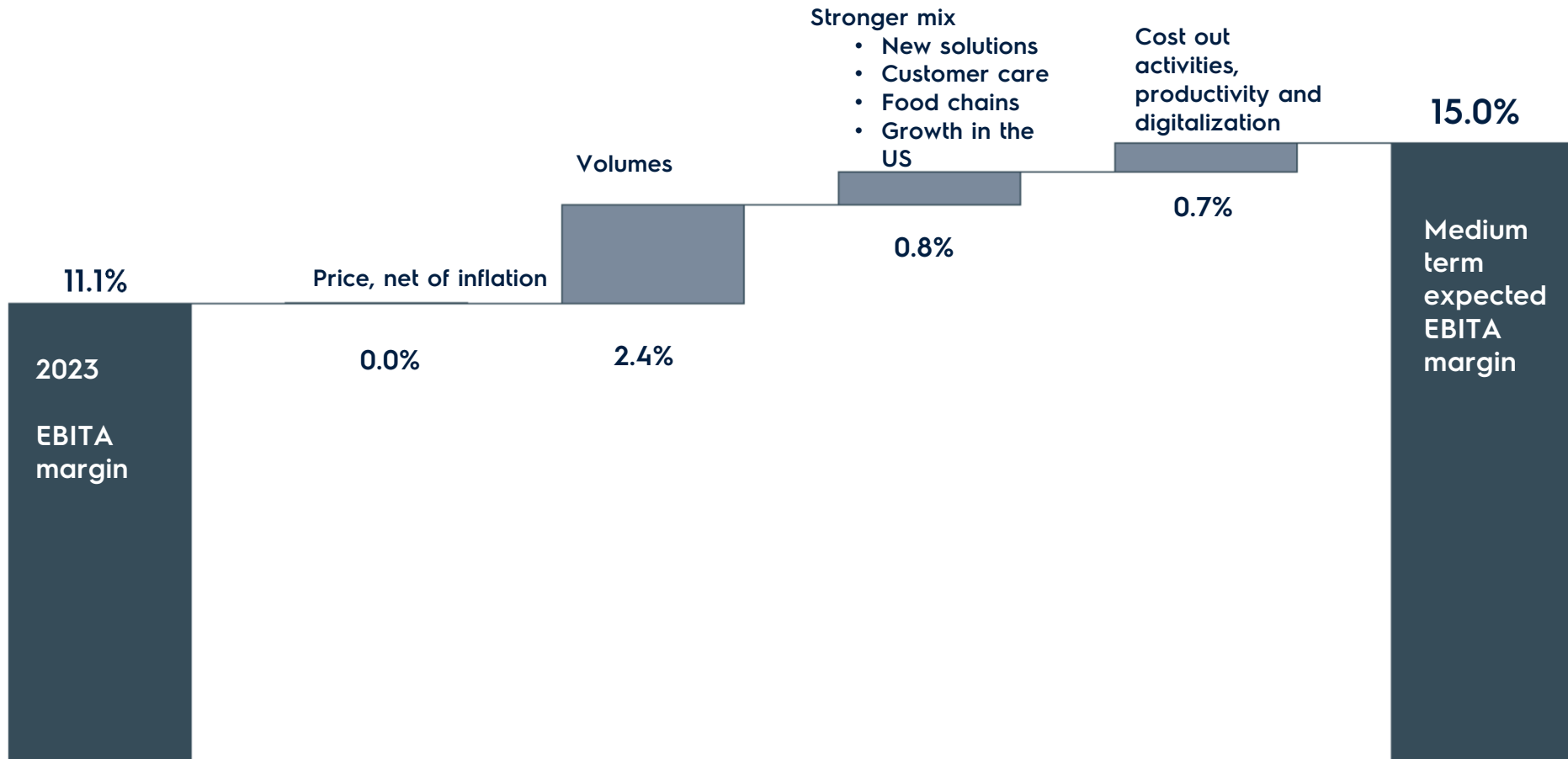


# Net debt/EBITDA ratio is below limit of 2.5x also after TOSEI acquisition

- Further improved Net debt/EBITDA ratio during 2023



# Building blocks to achieve 15% EBITA margin



# Electrolux Professional heading into 2024

## Demand

- Market growth has normalized to pre pandemic levels (2-4%)

## Inflation and interest rates

- Inflation and interest rates coming down – should increase customers willingness to invest

## Price increases

- “Normal” price increases (1-2%) implemented

## Raw material prices

- Raw material prices expected to be somewhat lower

## Integration of TOSEI

- Integration of TOSEI will create synergies from 2025

# Summary and take aways



Yes, we still have some way to our financial targets, but:

- Improved EBITA-margin three years in a row
- In 2023 we had the historical highest; revenue, EBITA value and cash generation

Strategic priorities and strong R&D well aligned with customers' needs and market dynamics

We have built a stronger competitive position

- Better geographical mix
- Larger Food chain and laundry business
- Larger and growing customer care
- We are the sustainability leader



# Summary and take aways

We have the structural conditions to support our ambitions

- An organization
  - closer to customers
  - strong ownership
  - ability to be agile and react fast
- A dedicated Board supporting our strategy, investments and projects
- Financial strength to support growth with acquisition

**We are committed to achieve our financial targets**

# Appendix



# Acquisitions improves our performance

- Electrolux Professional Group pro-forma 2023

- Sales = SEK 12,8b
- EBITA = SEK 1,4b
- Margin approx. 11%

- The Unified Brands (2021) and TOSEI (2024) acquisitions added:

- Sales +20%
- EBITA +20%
- Margin accretive

# Acquisition of TOSEI changes the footprint

(2023 proforma)



## Pre acquisition

Net sales by geography



Net sales by segment



## Post acquisition

Net sales by geography



Net sales by segment



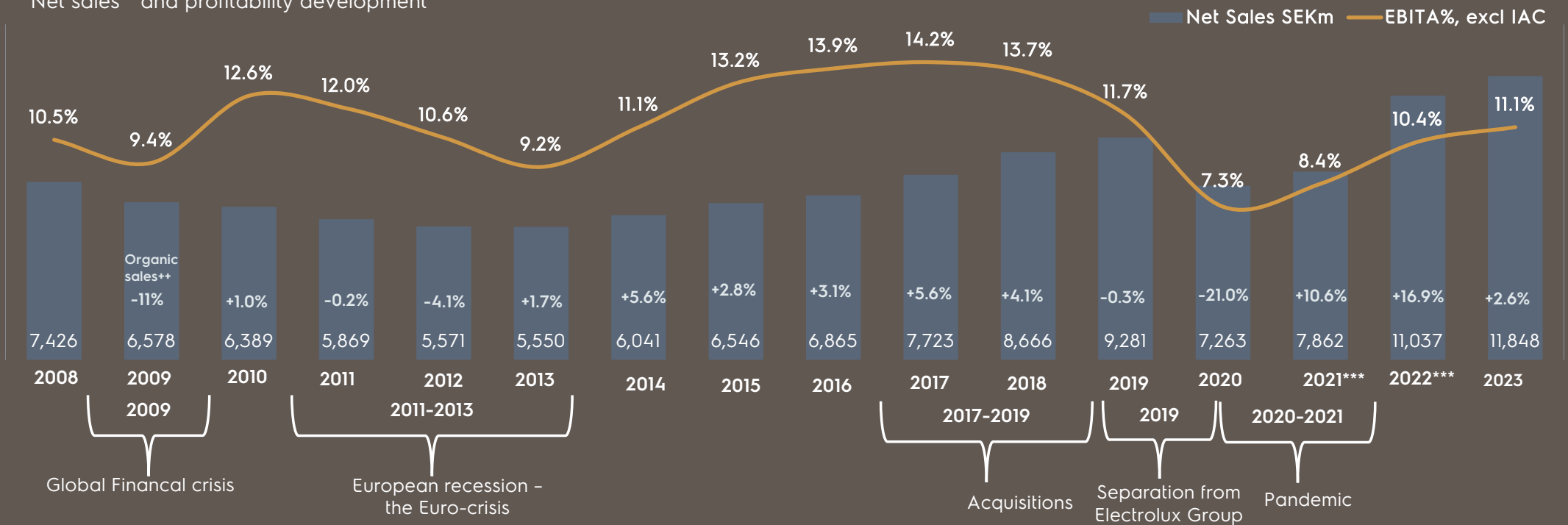


# A resilient foundation, well prepared for economic downturns



The pandemic had twice the impact on sales vs 2009 Financial Crisis

Net sales\*\* and profitability development



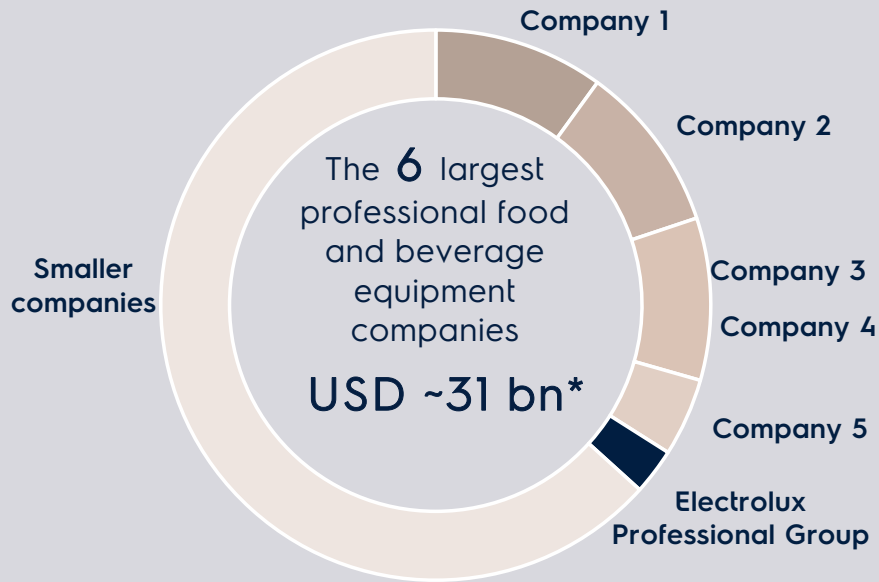
\*Excluding divested businesses (Baring Industries, US (2010) and Heating element, Switzerland (2011)) \*\*Excluding Items affecting Comparability (IAC) \*\*\*Includes Unified Brands from December 2021

+Group Total Net Sales ++Organic Sales (% change) excluding acquisition and divestments affecting comparability

# The global professional equipment industry



## Food & Beverage



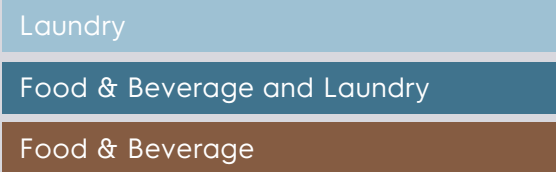
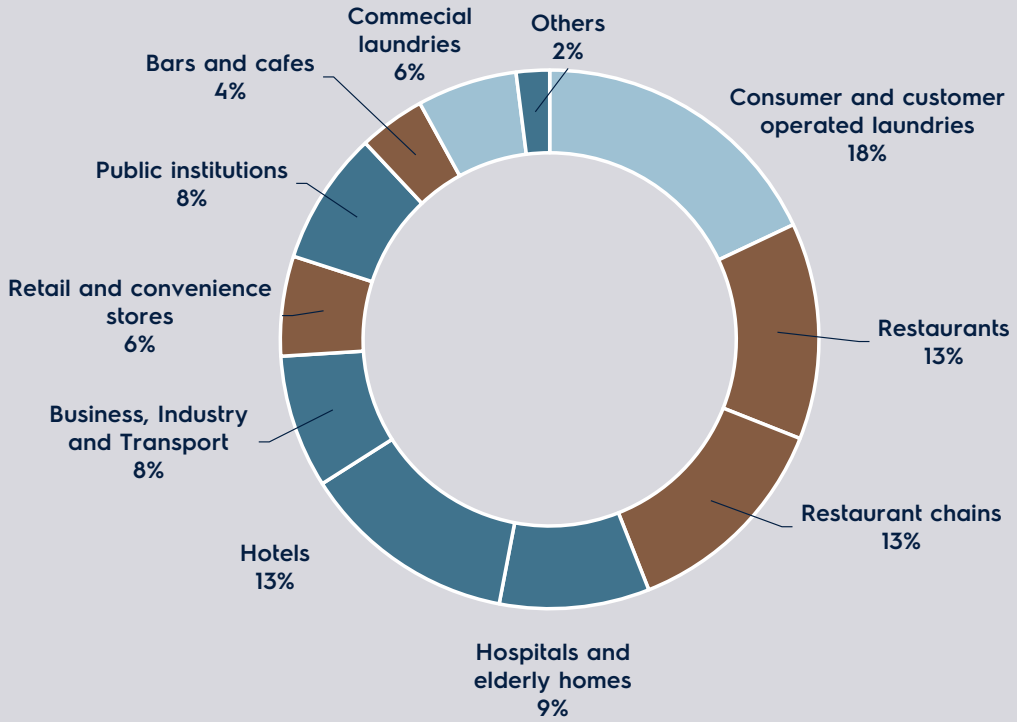
\*\* 2023 markets, own company estimates

## Laundry



\*\* 2023 markets, own company estimates

# Electrolux Professional sales per customer segment\*



\* Figures are partially estimates since Electrolux Professional do not always have information about the end customer.



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Professional  
Group**